

should be addressed to the OFI Freedom of Information Officer.

(e) The OFI Freedom of Information Officer shall maintain a record of all fees charged requestors for searching for and reproducing requested records under this section. If, after the end of 60 calendar days from the date on which request for payment was made, the requestor has not submitted payment to the OFI Freedom of Information Officer, the Freedom of Information Officer shall place the requestor's name on a delinquent list. If a requestor whose name appears on the delinquent list makes another request under this part, the OFI Freedom of Information Officer shall inform the requestor that the OFI will not process the request until the requestor submits payment of the overdue fee from the earlier request and prepayment of the fee for the current request may be required.

## **PART 1506—EMPLOYEE STANDARDS OF CONDUCT**

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AUTHORITY: E.O. 11222, 3 CFR, 1964–1965 Comp., p. 306; E.O. 12142, 44 FR 36927; 5 CFR 735.104; Pub. L. 95–521, as amended by Pub. L. 96–19 (2 U.S.C. 701, 5 U.S.C. Appendix 201, 28 U.S.C. Appendix 301).

SOURCE: 45 FR 60371, Sept. 11, 1980, unless otherwise noted.

**Subpart A—General Provisions; Notice to Employees; Advisory Service**

**§ 1506.101 Purpose.**

It is the purpose of these regulations to set high ethical standards of conduct for employees of the Office of the Federal Inspector (OFI). The OFI is a unique agency in a number of conduct-related ways, stemming mainly from its character as a project-specific agency. The OFI is charged with expediting the regulatory processes involved in the construction of a single pipeline system designed to transport Alaska Natural Gas to the contiguous states. Thus, OFI employees deal closely with the sponsors of, and governmental bodies involved in, just one project. On the first anniversary of the completion of the project, the OFI will cease to exist. These regulations reflect the unique charter of this project-specific agency.

**§ 1506.102 Authority.**

These regulations are promulgated pursuant to Executive Orders 11222, 11590 and 12142, to section 7(a)(5) of the Alaska Natural Gas Transportation Act, to the Ethics in Government Act of 1978, and to implementing regulations of the Office of Government Ethics (OGE).

**§ 1506.103 Definitions.**

In these regulations:

(a) *Employee* means an officer or employee of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System.

(b) *Honorarium* means a payment of money or anything of value received by an officer or employee of the Federal Government, if accepted as consideration or as a fee for an appearance, speech, or article.

(c) *Person* means an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other group, organization or institution.

(d) *Special Government employee* means an officer or employee of the OFI who is retained, designated, appointed, or employed to perform, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis.

(e) *Project sponsor* means one of the persons designated to construct and operate a portion of the Alaska Natural Gas Transportation system.

(f) *Logistics agreement* means an agreement negotiated with a project sponsor governing the provision to OFI field employees of food, lodging, transportation, and medical and office facilities by the project sponsor. Logistics agreements are entered into because of the scarcity of such facilities in remote areas along the project route.

**§ 1506.104 Coverage.**

(a) The provisions of subpart A of this part apply to all regular employees and all special Government employees.

(b) The provisions of subpart B of this part apply to all regular employees.

(c) The provisions of subpart C of this part apply to all senior Executive Service employees, both special and regular, and to the Federal Inspector.

(d) The provisions of subpart D of this part apply to those regular employees who meet the criteria set forth in the first section of that subpart, § 1506.401.

(e) The provisions of subpart E of this part apply to all special Government employees.

(f) The provisions of subpart F of this part apply to special Government employees who are paid at a rate equivalent to GS-16 or above.

(g) The provisions of subpart G of this part apply to those special Government employees who meet the criteria set forth in the first section of that subpart, § 1506.701.

#### **§ 1506.105 Notice to employees.**

(a) Each employee and special Government employee shall be furnished a copy of these regulations within 90 days of their effective date.

(b) Each new employee and special Government employee shall be furnished a copy of these regulations at the time of his or her entrance on duty.

(c) Thereafter, each employee and special Government employee shall be reminded of these regulations once a year and shall be informed on a timely basis of any changes in these regulations.

(d) The agency ethics officers shall have copies of all pertinent laws, executive orders, OFI regulations and OGE regulations available for review by employees and special Government employees.

#### **§ 1506.106 Interpretation and advisory service.**

(a) There shall be an advisory service which will furnish interpretations and advice to employees and to special Government employees on questions which they may have concerning these regulations.

(b) The General Counsel of the OFI shall be the Designated Agency Ethics Officer (ethics officer). The ethics officer shall coordinate the agency's counseling and interpretation services and serve as the OFI designee to the OGE on appropriate matters.

(c) The Federal Inspector and the General Counsel shall appoint such deputy ethics officers as they deem necessary.

(d) Each employee and special Government employee shall be informed of the availability of the advisory service within 90 days after these regulations become effective. New employees, both special and regular, shall be informed about this service upon entrance on duty.

(e) Any employee or special Government employee who has a question about the application of these regulations has a duty to consult the ethics officer or deputy officer concerning the question.

### **Subpart B—Rules of Conduct for Employees**

#### **§ 1506.201 Generally prohibited conduct.**

An employee shall avoid any action which might result in or create the appearance of:

(a) Using public office for private gain;

(b) Giving preferential treatment to any person;

(c) Impeding Government efficiency or economy;

(d) Losing complete independence or impartiality;

(e) Making a Government decision outside official channels; or

(f) Affecting adversely the confidence of the public in the integrity of the Government.

#### **§ 1506.202 Acceptance and solicitation of gifts, entertainment, and favors.**

(a) Apart from the exceptions listed in paragraph (b) of this section, an employee shall neither solicit nor accept any gift, gratuity, favor, entertainment, loan, or any thing of monetary value from a person who:

(1) Has, or is seeking to obtain, contractual business or financial relations with the OFI;

(2) Is regulated by the OFI; or

(3) Has interests that may be substantially affected by the performance of the employee's official duty.

(b) Exceptions to the prohibitions of paragraph (a) of this section are:

#### § 1506.203

(1) An employee may accept food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting when, and only when, it is impracticable to pay for the food or refreshments, and

(2) An employee may accept unsolicited promotional materials, such as pens, pencils, note pads, and calendars which are of nominal value.

(c) An employee shall not solicit a contribution from another employee for a gift to an official superior, make a donation as a gift to an official superior, or accept a gift from an employee receiving less pay than himself. However, this paragraph does not prohibit a voluntary gift of nominal value on a special occasion such as marriage, illness, or retirement.

(d) An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress, as provided in 5 U.S.C. 7342. A copy of 5 U.S.C. 7342 may be obtained from the ethics officer or his deputy. Employees who are contemplating acceptance of a gift from a foreign government should familiarize themselves with this provision of law.

#### **§ 1506.203 Acceptance of reimbursement for official travel.**

(a) Subject to the exceptions listed in paragraph (b) of this section, an employee may be reimbursed for his official travel expenses only by the OFI.

(b) There are the following statutory exceptions to paragraph (a) of this section:

(1) Contributions and awards incident to training in non-Government facilities, and payment of travel, subsistence, and other expenses incident to attendance at meetings, may be made to and accepted by an employee, without regard to section 209 of title 18, if the contributions, awards, and payments are made by an organization determined by the Secretary of the Treasury to be an organization described by section 501(c)(3) of title 26 which is exempt from taxation under section 501(a) of title 26. (5 U.S.C. 4111).

(2) An employee may accept reimbursement of expenses related to being detailed to State and local governments or to universities (5 U.S.C. 3371).

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(3) If and when the Secretary of State assigns an employee to a foreign government, the employee may accept, with the approval of the OFI, reimbursement for his or her pay and allowances (22 U.S.C. 1451).

(4) If and when an employee is detailed to a public international organization in which the United States participates, the OFI may accept reimbursement for the detailed employee's pay, travel expenses, and allowances (5 U.S.C. 3343).

#### **§ 1506.204 OFI's reimbursement of project sponsors for logistical support.**

(a) Because of the limited travel, lodging, medical, and office facilities along the route of the project in Alaska, employees in the field will be relying upon the logistical support of the project sponsor. Normally, all logistical support provided by the project sponsor will be provided in accordance with the "logistics support agreement" between the sponsor and the OFI. Under the terms of this agreement, OFI will reimburse the sponsor for this support.

(b) If it is necessary for an employee to rely upon logistic support of the sponsor or other person which is not within the scope of the "logistics support agreement," the employee shall notify the ethics officer or the Federal Inspector as soon as practicable.

(c) The employee may accept the logistics support which is beyond the scope of the "logistics support agreement" only if the Federal Inspector determines that such acceptance facilitates the conduct of official business and is in the best interest of the Government.

#### **§ 1506.205 Outside employment.**

(a) An employee shall not engage in outside employment or other outside activity which is incompatible with the full and proper discharge of the duties and responsibilities of his or her Government employment. Incompatible activities include but are not limited to:

(1) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance may

result in, or create the appearance of, conflicts of interest; or

(2) Outside employment which tends to impair his or her mental or physical capacity to perform Government duties and responsibilities in an acceptable manner.

(b) An employee shall not receive any salary or anything of monetary value from a private source as compensation for his services to the Government (18 U.S.C. 209).

(c) Employees are encouraged to engage in teaching, lecturing, and writing which is not prohibited by law, Executive Order, OGE regulations, or this part. However, an employee shall not, either for or without compensation, engage in teaching, lecturing, or writing which depends on information obtained as a result of his or her Government employment, except when that information has been made available to the general public or will be made available on request. An employee also shall not accept an honorarium for any consultation, writing, speech, lecture, or appearance, the subject matter of which draws substantially on official data or ideas which have not become part of the body of public information.

(d) The Federal Inspector may not have, in any calendar year, outside earned income which is in excess of fifteen percent of his Government compensation (Pub. L. 95-521, as amended, section 210).

(e) Any employee engaged in outside paid employment on a substantially regular basis shall notify his or her supervisor, who in turn will evaluate the continuation of such outside employment relative to paragraph (a) of this section.

#### **§ 1506.206 Acceptance of honoraria.**

(a) No employee shall accept an honorarium for any consultation, writing, speech, lecture, or appearance, the subject matter of which is devoted substantially to the responsibilities, programs, or operations of the OFI.

(b) No employee shall accept an honorarium for any consultation, writing, speech, lecture, or appearance which he performs while on duty.

(c) No employee shall accept an honorarium of more than \$2,000 for any appearance, speech, or article, or accept

honoraria aggregating more than \$25,000 in any calendar year (2 U.S.C. 441i).

(d) No employee shall accept an honorarium from a person who:

(1) Has, or is seeking to obtain, contractual or other business or financial relations with the OFI;

(2) Conducts operations or activities which are regulated by the OFI; or

(3) Has interests which may be substantially affected by the performance or nonperformance of his official duty.

#### **§ 1506.207 Prohibited financial interests.**

(a) No employee shall have a financial interest that conflicts substantially, or appears to conflict substantially, with his or her Government duties and responsibilities.

(b) As applied, paragraph (a) of this section requires that no employee shall own securities of any company (or its parent or affiliate):

(1) Which initially owns and produces gas to be transported through the Alaska Natural Gas Transportation System (the system);

(2) Which "first purchases" gas to be transported through the system;

(3) Which is involved in the ownership of the system; or

(4) Which is very substantially involved by contract in the construction or design of the system.

(c) A list of the companies whose securities are prohibited under the criteria of paragraph (b) of this section shall be issued to each employee upon entrance on duty. A list of these companies shall be distributed to all employees annually and whenever change in circumstances requires modification of the list.

(d) In addition to the specific companies (meeting the criteria in paragraph (b) of this section and listed according to paragraph (c) of this section), there are other categories of companies to which the prohibition in paragraph (a) of this section may or may not apply. Employees should consider the following factors:

(1) Ownership of the securities of other oil and gas companies is not at present prohibited. Employees are advised, however, that, if such other companies become involved in either the

system or ownership of gas to be transported through the system, ownership of the securities of those companies will, at that time, become prohibited.

(2) As a general rule, the securities of those companies supplying goods or services for the planning or construction of the system are not prohibited from ownership by employees. Nevertheless, certain of those companies could supply such a large share of goods or services for the system that employees also may not own their securities.

(3) Employees shall not own the securities of companies described in this paragraph *only if and when* a specific company is included in the prohibited securities list provided in accordance with paragraph (c) of this section.

(e) If employees have any questions or doubts regarding the ownership of securities, they should contact the ethics officer for advice.

(f) An employee may seek a waiver of the prohibitions imposed by paragraphs (a) and (b) of this section for a particular financial interest. In order to obtain such a waiver, an employee must fully disclose his financial interest to the ethics officer and to the Federal Inspector. If the ethics officer and the Federal Inspector determine that the disclosed financial interest is not so substantial as to be likely to affect the integrity of the employee's Government services, they may grant a waiver.

(g) The prohibitions of paragraphs (a) and (b) of this section do not apply to mutual funds (unless investing primarily in oil and gas securities) and investments in mutual savings banks. Further, if an employee has continued to participate in a bona fide pension, retirement, group life, health, or accident insurance plan or other employee welfare or benefit plan that is maintained by a business or nonprofit organization or which he is a former employee, that financial interest is exempted from the prohibitions of paragraphs (a) and (b) of this section, except when the welfare or benefit plan is a profit-sharing or stock-bonus plan.

**§ 1506.208 Use of Government property.**

No employee shall use, or allow the use of, government property for any activity which is not officially approved. An employee has a positive duty to protect and conserve Government property which has been issued or entrusted to him.

**§ 1506.209 Misuse of information.**

No employee shall use, or allow the use of, official information obtained through his Government employment which has not been made available to the general public or would not be made available to the public on request.

**§ 1506.210 Indebtedness.**

An employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law, such as Federal, State or local taxes. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court or one imposed by law, and "in a proper and timely manner" means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Government as the employee's employer. In the event of dispute between an employee and an alleged creditor, this section does not require the OFI to determine the validity or amount of the disputed debt.

**§ 1506.211 Gambling, betting, and lotteries.**

No employee shall participate in any gambling activity while on Government property or while on duty for the Government. However, organizations composed of Federal employees may conduct fund-raising activities in accordance with procedures approved by the Federal Inspector (Executive Order 10927).

**§ 1506.212 General conduct prejudicial to the Government.**

No employee shall engage in criminal, infamous, dishonest or disgraceful conduct, or other conduct prejudicial to the government.

**§ 1506.213 Miscellaneous statutory provisions.**

Each employee shall acquaint himself with the following statutory provisions which relate to Federal employee conduct. Copies, explanations, and interpretations of these provisions may be obtained from the ethics officer or his deputy.

(a) House Concurrent Resolution 175, 85th Congress, 2d session, 72 Stat. B12, the "Code of Ethics for Government Service."

(b) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned.

(c) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(d) The prohibitions against disloyalty and striking (5 U.S.C. 7311, 18 U.S.C. 1918).

(e) The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of confidential information (18 U.S.C. 1905).

(f) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 7352).

(g) The prohibition against the misuse of a Government vehicle (31 U.S.C. 638a(c)).

(h) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(i) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

(j) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).

(k) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(l) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(m) The prohibition against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failure to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(n) The prohibition against unauthorized use of documents to claims from or by the Government (18 U.S.C. 285).

(o) The prohibitions against certain political activities in the "Hatch Act" (5 U.S.C. 7324-7327 and 18 U.S.C. 602, 603, 607, and 608).

(p) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

**Subpart C—Public Financial Disclosure Requirements for Employees****§ 1506.301 Employees subject to public financial disclosure requirements.**

(a) Every employee whose position is classified as GS-16 or above or who is paid at an equivalent rate in the Senior Executive Service shall annually file an "Executive Personnel Financial Disclosure Report" (referred to as a "278 form") for public financial disclosure.

(b) Every schedule C employee who is paid at a rate below GS-16 shall file a 278 form annually, unless specifically excepted from the requirement, in accordance with OGE procedure, as having no role in advising or making policy determinations concerning agency programs or policies.

(c) The OFI ethics officer shall file a 278 form annually.

**§ 1506.302 When to file 278 form.**

(a) Except as described in paragraph (b) of this section, all employees who are required by virtue of their position to file a 278 form shall file the form within thirty days of their entrance into that position.

(b) A new entrant to a 278 position does not need to file a 278 form within 30 days of entrance upon duty:

(1) If the entrant has just left a position for which he was required to file a 278 form; or

(2) If the entrant has already filed a 278 form as a nominee or candidate for the position.

(c) Thereafter, every employee who performs the duties of a 278 position for more than 60 days of any calendar year shall file a 278 form for that year by May 15 of the succeeding year.

(d) Within thirty days after the termination of employment in a 278 position, a terminated employee shall file a 278 form for the year of termination. However, if an employee terminates one 278 position but assumes another 278 position (either at OFI or in other Federal employment) within 30 days of termination, no report is required by this subsection.

(e) The ethics officer may, for good cause shown, grant to any employee or class of employees an extension of up to 45 days. The OGE may, for good cause shown, grant an additional extension of up to 45 days. The employee shall set forth specific reasons for the additional extension request and shall submit these reasons to the ethics officer. The ethics officer will forward the request and comments on it to the OGE.

**§ 1506.303 Where to file 278 form.**

(a) Employees who are required to file 278 forms shall file them with the ethics officer.

(b) The ethics officer shall transmit the 278 form of the Federal Inspector and the ethics officer's 278 form to the Director of the OGE. Prior to transmitting these forms, the ethics officer shall review the 278 form of the Federal Inspector and shall ensure that ethics officer's 278 form is reviewed by the Federal Inspector.

**§ 1506.304 Procedure for completing 278 forms.**

Each 278 form shall be filled out entirely and in accordance with its instructions. If questions arise while filling out his or her form, an employee should consult the ethics officer. The ethics officer shall in turn make available the OGE regulations implementing title II of the Ethics in Government Act.

**§ 1506.305 Special rules for completing 278 forms.**

Employees who are required to submit 278 forms should acquaint themselves with the special rules set forth in the regulations of the Office of Government Ethics at 5 CFR 734.303. Copies and interpretations of these provisions may be obtained from the ethics officer. Employees should note that they

may request a waiver of the reporting requirement for certain personal gifts.

**§ 1506.306 Special rules for reporting trust interests and assets.**

(a) Subject to the exceptions of paragraph (b) of this section, employees required to submit 278 forms shall report trust interests and assets which have a value in excess of \$1,000.

(b) The reporting requirement of paragraph (a) of this section does not apply when an employee is the beneficiary of:

- (1) A "qualified blind trust,"
- (2) A "qualified diversified trust," or
- (3) An "excepted trust."

(c) The trusts provided in paragraph (b) of this section are approved in the following manner:

(1) A "qualified blind trust" is a trust certified as approved by the Director of the Office of Government Ethics as meeting the requirements of section 202(f)(3) of the Ethics in Government Act and implementing regulations.

(2) A "qualified diversified trust" is a trust certified as approved by the Director of the Office of Government Ethics, in concurrence with the Attorney General, as meeting the requirements of section 202(f)(4)(B) of the Ethics in Government Act and implementing regulations.

(3) An "excepted trust" is one which was not created directly by the employee, his spouse, or his dependent child, and the holdings or sources of income of which are not known to the employee, his spouse, or his dependent child. An excepted trust requires no certification or approval.

(d) An employee who wishes to create a qualified blind trust or (in the case of the Federal Inspector) a qualified diversified trust should consult with the ethics officer, who shall refer the employee to the OGE.

(e) Employees who create, maintain, or dissolve either a qualified blind trust or a qualified diversified trust shall familiarize themselves with the special filing requirements for those actions. Employees may obtain copies and interpretations of those requirements (5 CFR 734.407) from the ethics officer.

(f) Assets in all types of trusts, except a qualified diversified trust of the



Federal Inspector, shall be considered financial interests until the employee is notified by the trustee that the assets have been disposed of or have a value of less than \$1,000. As such, all trust assets, except those in qualified diversified trusts, shall be subject to the financial interest restrictions of § 1506.207 of section 208 of title 18 of the United States Code, and of any other Federal conflict of interest statutes or regulations.

**§ 1506.307 Custody of completed 278 forms.**

(a) Any completed 278 form filed with the ethics officer or transmitted to the Director, Office of Government Ethics, pursuant to this subpart, shall be retained by the OFI or the Office of Government Ethics, or both, as the case may be. Such completed forms shall be made available to the public for a period of six years after receipt of the report. After this six-year period, the form shall be destroyed, unless needed in an ongoing investigation. In the case of an individual who filed a 278 form as a nominee to a position requiring Senate confirmation and who was not subsequently confirmed by the Senate, his or her form shall be destroyed one year after he or she is no longer under consideration by the Senate, unless it is needed in an ongoing investigation.

(b) Copies of all qualified trust agreements, the list of assets initially placed in such trusts, and all other publicly available documents relating to such trusts shall be retained until the periods for retention of all other forms have lapsed.

**§ 1506.308 Public access to completed 278 forms.**

Within fifteen days after any completed form is actually received by the ethics officer, the ethics officer shall permit inspection of such report by, or furnish a copy to, any person who makes a written application which:

- (a) States the applicant's name, occupation, and address,
- (b) States the name and address of any other person or organization on whose behalf the request is made, and
- (c) States that the applicant is aware of the restrictions on the obtaining and the use of the report.

**§ 1506.309 Review of completed 278 forms and remedial action.**

(a) The reviewing official (the ethics officer, except for the ethics officer's form, which the Federal Inspector shall review) shall review each 278 form to determine that it complies with all applicable law.

(b) Upon determining that the employee is in compliance with all applicable law, the reviewing official shall sign and date the completed form.

(c) If the reviewing official believes that additional information is necessary, such information shall be requested. The employee of whom this request is made shall be afforded a reasonable opportunity to respond.

**§ 1506.310 Procedure after review of additional information.**

(a) If, after reviewing the additional information, the reviewing official concludes that the employee is in compliance with applicable law, the reviewing official shall sign and date the completed form and so notify the employee.

(b) If, after reviewing the additional information, the reviewing official concludes that the employee is not in compliance with applicable law, the reviewing official shall:

- (1) Notify the employee of that opinion;
- (2) Afford the employee an opportunity for personal consultation, if practicable;
- (3) Determine what remedial action should be taken to bring the employee into compliance; and
- (4) Notify the employee in writing of the remedial action required, indicating a date by which such action should be taken.

(c) Remedial steps may include:

- (1) Divestiture of a conflicting interest;
- (2) Restitution;
- (3) Establishment of a qualified blind trust; or
- (4) Request for an exemption under 18 U.S.C. 208(b).

(d) If the employee complies with the suggested remedial steps, the reviewing official shall so indicate in the "comments" section of the form, and shall sign and date it.

**§ 1506.311 Procedure upon employee's refusal to comply.**

(a) If the employee does not comply with the remedial steps suggested pursuant to § 1506.310, the reviewing official shall notify the OGE and refer the matter for appropriate action to:

- (1) The President, if the non-complying employee is the Federal Inspector, or
  - (2) The Federal Inspector, concerning all other employees.
- (b) Appropriate action may include:
- (1) Any of the remedial steps listed in paragraph (c) of § 1506.310;
  - (2) Removal;
  - (3) Suspension;
  - (4) Reduction in grade; or
  - (5) Reduction in pay.

**§ 1506.312 Advisory opinions and situation lists.**

Employees may consult the ethics officer to inquire:

- (a) About advisory opinions rendered by the Director of the OGE, and
- (b) About lists of circumstances and situations which have resulted in non-compliance with ethics laws. These lists, as they are published, will be furnished to all employees who are required to file 278 forms.

**§ 1506.313 Penalties for failure to file or falsifying 278 forms.**

(a) *Referral of cases.* The Federal Inspector or the Director, Office of Government Ethics, as the case may be, shall refer to the Attorney General the name of any individual who, the appropriate officer has reasonable cause to believe, has willfully failed to file a report, or has willfully falsified or willfully failed to file information required to be reported.

(b) *Civil action.* The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully falsifies or who knowingly or willfully fails to file or report any information which such individual is required to report pursuant to this subpart. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed \$5,000.

(c) *Administrative remedies.* The President, the Director, Office of Govern-

ment Ethics, or the Federal Inspector, may take any appropriate personnel or other action in accordance with applicable law or regulation against any individual failing to file a report or falsifying or failing to file information required to be reported. Such action includes adverse action under 5 CFR part 752.

**§ 1506.314 Penalties for non-compliance with the special filing requirements for qualified trusts.**

(a) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully violates the provisions of 5 CFR 734.407 (a) or (b). The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed \$5,000.

(b) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who negligently violates those provisions. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed \$1,000.

**Subpart D—Confidential Disclosure Requirements for Employees**

**§ 1506.401 Employees required to submit confidential statements of employment and financial interests.**

(a) Unless subject to the public financial disclosure requirements of subpart C of this part or unless exempted under paragraph (b) of this section, those employees required to file confidential statements are:

(1) Employees classified as GS-13 or above, or at an equivalent pay level, who the ethics officer or the FI determines are in positions which require them to make a Government decision or take a Government action in regard to:

- (i) Contracting or procurement;
- (ii) Regulating or auditing private or other non-Federal enterprise; or
- (iii) Other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise;

(2) Employees classified as GS-13 or above, or at an equivalent level of pay, who are in positions which entail duties and responsibilities which require them to report employment and financial interests in order to avoid involvement in a possible conflicts-of-interest situation; and

(3) Employees classified below GS-13, or at an equivalent rate of pay, who are in positions which otherwise meet the criteria in paragraph (a) (1) or (2) of this section, when the requirement that they file has been specifically justified and for which approval has been given by the OGE.

(b) An employee in a position that meets the criteria in paragraph (a) of this section may be excluded from the reporting requirement when the ethics officer determines that:

(1) The duties of his or her position are such that the likelihood of involvement in a conflicts-of-interest situation is remote;

(2) The duties of his or her position are at such a level of responsibility that the submission of a statement of employment and financial interests is not necessary because of the degree of supervision and review over him or her; or

(3) The use of an existing or alternative procedure is adequate to prevent possible conflicts-of-interest.

(c) The ethics officer shall maintain a list of positions for which a confidential statement is required and shall notify the employees in those positions of the reporting requirement

**§ 1506.402 Time and place for submission of confidential statements.**

An employee required to submit a confidential statement shall submit it to the ethics officer:

(a) Within ninety days of the date on which these regulations become effective, or

(b) Within thirty days after his or her entrance on duty, but not earlier than ninety days after these regulations become effective.

**§ 1506.403 Supplementary statements.**

Changes in, or additions to, the information contained in an employee's confidential statement of employment and financial interests shall be re-

ported in a supplementary statement as of June 30 each year, except when the OGE authorizes a different date. If no changes or additions occur, a negative report is required.

**§ 1506.404 Interests of employee's relatives.**

The interest of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. For the purpose of this section, "member of an employee's immediate household" means those blood relations who are residents of the employee's household.

**§ 1506.405 Information not known by employees.**

If any information required to be included in a statement of employment and financial interest or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit information in his behalf.

**§ 1506.406 Information not required.**

This subpart does not require an employee to submit on a statement of employment and financial interests or supplementary statement any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.

**§ 1506.407 Confidential custody of reports.**

The ethics officer shall hold each statement of employment and financial interests, and each supplementary statement, in confidence. To insure this confidentiality, he shall designate

#### § 1506.408

which employees are authorized to review and retain the statements. Employees so designated are responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from, a statement, except to carry out the purposes of these regulations. The OFI will not disclose information from a statement, except as the Office of Government Ethics or the Federal Inspector may determine for good cause shown.

#### **§ 1506.408 Employee's complaint on filing.**

Any employee who feels that he or she has been unjustly required to file a confidential statement shall be afforded an opportunity for review of that requirement through the OFI's grievance procedure. Any employee who wishes to be afforded that opportunity shall consult the ethics officer concerning the proper procedure.

#### **§ 1506.409 Review of reports and remedial action.**

(a) The ethics officer shall review each confidential statement of employment and financial interests. Upon determining that the employee is in compliance with applicable laws and regulations, the ethics officer shall sign and date the report.

(b) If the ethics officer believes that additional information is necessary, such information shall be requested. The employee of whom this request is made shall be afforded a reasonable opportunity to respond.

#### **§ 1506.410 Procedure after review of additional information.**

(a) If, after reviewing the additional information, the ethics officer concludes that the employee is in compliance with applicable law, the ethics officer shall sign and date the report and so notify the employee.

(b) If, after reviewing the additional information, the ethics officer concludes that the employee is not in compliance with applicable law, the ethics officer shall:

(1) Notify the employee of that opinion,

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(2) Afford the employee an opportunity for personal consultation, if practicable,

(3) Determine what remedial action should be taken to bring the employee into compliance, and

(4) Notify the employee in writing of the remedial action required, indicating a date by which such action should be taken.

(c) Remedial steps may include:

(1) Divestiture of a conflicting interest;

(2) Restitution;

(3) Establishment of a qualified blind trust; or

(4) Request for an exemption under 18 U.S.C. 208(b).

(d) If the employee complies with the suggested remedial steps, the ethics officer shall sign and date the report.

#### **§ 1506.411 Procedure upon employee's refusal to comply.**

(a) If the employee does not comply with the suggested remedial steps, the ethics officer shall refer the matter for appropriate action to the Federal Inspector.

(b) Appropriate action may include:

(1) Any of the remedial steps listed in paragraph (c) of § 1506.410;

(2) Removal;

(3) Suspension;

(4) Reduction in grade; or

(5) Reduction in pay.

(c) Remedial action, whether disciplinary or otherwise, shall be effected in accordance with applicable law.

### **Subpart E—Rules of Conduct for Special Government Employees**

#### **§ 1506.501 Applicability.**

The provisions of this subpart apply to all special Government employees, as defined in § 1506.103 of these regulations.

#### **§ 1506.502 Use of Government employment.**

No special Government employee shall use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for him or herself or another person, particularly one with whom he or she has family, business, or financial ties.

**§ 1506.503 Use of inside information.**

(a) No special Government employee shall, either by direct action on his or her part or by counsel, recommendation, or suggestion to another person, use inside information, obtained as a result of his or her Government employment, for private gain for him or herself or another person, particularly one with whom he or she has family, business, or financial ties. For the purpose of this section, "inside information" means information, obtained under Government authority, which has not become part of the body of public information.

(b) No special Government employee shall, either for or without compensation, engage in teaching, lecturing, or writing that depends on information obtained as a result of his or her OFI employment, except when that information has been made available to the general public or will be made available on request, or when the agency head gives written authorization for use of nonpublic information on the basis that the use is in the public interest.

**§ 1506.504 Coercion.**

No special Government employee shall use his or her Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to him or herself or another person, particularly one with whom he or she has family, business, or financial ties.

**§ 1506.505 Acceptance and solicitation of gifts, entertainment, and favors.**

(a) Apart from the exceptions listed in paragraph (b) of this section, no special Government employee shall solicit or accept for him or herself or anyone else any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who:

(1) Has, or is seeking to obtain, contractual business or financial relations with OFI;

(2) Is regulated by OFI; or

(3) Has interests that may be substantially affected by the special Government employee's performance of his Government duty.

(b) Exceptions to the prohibitions of paragraph (a) of this section are:

(1) A special Government employee may accept food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting when, and only when, it is impracticable to pay for the food or refreshments (that is, when the special Government employee is unable to ascertain either the price of the food or refreshments or an appropriate person to pay for the food or refreshments); and

(2) A special Government employee may accept unsolicited promotional materials, such as pens, pencils, note pads, and calendars which are of nominal value.

**§ 1506.506 Prohibited financial interests.**

(a) No special Government employee shall have a financial interest that conflicts substantially with his or her Government duties and responsibilities.

(b) As applied, paragraph (a) of this section requires that no special Government employee shall own securities of any company (or its parent or affiliate):

(1) Which initially owns and produces gas to be transported through the Alaska Natural Gas Transportation System (the system);

(2) Which first purchases gas to be transported through the system;

(3) Which is involved in the ownership of the system; or

(4) Which is very substantially involved by contract in the construction or the design of the system.

(c) A list of the companies whose securities are prohibited under the criteria of paragraph (b) of this section shall be issued to each special Government employee upon entrance on duty. A list of these companies shall be distributed to all special Government employees annually and whenever change in circumstances requires modification of the list.

(d) In addition to the specific companies (meeting the criteria in paragraph (b) of this section and listed according to paragraph (c) of this section), there are other categories of companies to which the prohibition in paragraph (a) of this section may or may not apply.

Special Government employees should consider the following factors:

(1) Ownership of the securities of other oil and gas companies is not at present prohibited. Special Government employees are advised, however, that if such other companies become involved in either the system or ownership of gas to be transported through the system, ownership of the securities of those companies will, at that time, become prohibited.

(2) As a general rule, the securities of those companies supplying goods or services for the planning or construction of the system are not prohibited from ownership by special Government employees. Nevertheless, certain of these companies could supply such a large share of goods or services for the system that special Government employees also may not own their securities.

(3) Special Government employees shall not own the securities of companies described in this paragraph *only if and when* a specific company is included in the prohibited securities list provided in accordance with paragraph (c) of this section.

(e) If special Government employees have any questions or doubts regarding the ownership of securities, they should contact the ethics officer for advice.

(f) A special Government employee may obtain a waiver of the prohibitions, imposed by paragraphs (a) and (b) of this section, for a particular financial interest. In order to obtain a waiver, a special Government employee must fully disclose his financial interest to the ethics officer and to the Federal Inspector. If the ethics officer and the Federal Inspector determine that the disclosed financial interest is not so substantial as to be likely to affect the integrity of the special Government employee's services, they may grant a waiver.

(g) The prohibitions of paragraphs (a) and (b) of this section do not apply to mutual funds and investments in mutual savings banks. Further, if a special Government employee has continued to participate in a bona fide pension, retirement, group life, health, or accident insurance plan or other employee welfare or benefit plan that is

maintained by a business or nonprofit organization of which he is a former employee, that financial interest is exempted from the prohibitions of paragraphs (a) and (b) of this section, except when the welfare or benefit plan is a profit-sharing or stock-bonus plan.

**§ 1506.507 Miscellaneous statutory provisions.**

Each special Government employee shall acquaint him or herself with the following statutory provisions which relate to Federal employee conduct. Copies, explanations, and interpretations of these provisions may be obtained from the ethics officer or his deputy.

(a) House Concurrent Resolution 175, 85th Congress, 2d session, 72 Stat. B12, the "Code of Ethics for Government Service".

(b) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the special Government employee concerned.

(c) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(d) The prohibition against disloyalty and striking (5 U.S.C. 7311, 18 U.S.C. 1918).

(e) The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of confidential information (18 U.S.C. 1905).

(f) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 7352).

(g) The prohibition against the misuse of a Government vehicle (31 U.S.C. 638a(c)).

(h) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(i) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

(j) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).

(k) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(l) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(m) The prohibition against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failure to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(n) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(o) The prohibitions against certain political activities in the "Hatch Act" (5 U.S.C. 7324-7327 and 18 U.S.C. 602, 603, 607, and 608).

(p) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

## Subpart F—Public Financial Disclosure Requirements for Special Government Employees

### § 1506.601 Special Government employees subject to public financial disclosure requirements.

Every special Government employee whose position is classified at GS-16 or above or who is paid at an equivalent rate shall annually file a 278 form, the public financial disclosure form.

### § 1506.602 Applicability of subpart C to special Government employees.

All of the provisions in subpart C, concerning public financial disclosure by regular employees, shall apply equally to special Government employees. Therefore, every special Government employee who must file a public financial disclosure statement should familiarize him or herself with that subpart and look to it for guidance in meeting his or her public financial disclosure obligations.

### § 1506.603 Exception for special Government employees who are employed for less than sixty days.

(a) A special Government employee who must otherwise file a 278 form may be excepted from this obligation if, as determined by the ethics officer, the special Government employee is not

reasonably expected to perform the duties of his or her office or position for more than sixty days in a calendar year.

(b) Notwithstanding paragraph (a) of this section, a special Government employee who is subject to public financial disclosure requirements and actually performs the duties of his or her position for more than sixty days in a calendar year shall file a 278 form within fifteen days after the sixty-first day of such employment, unless excepted under § 1506.604.

### § 1506.604 Special waiver of public disclosure requirement for special Government employees.

(a) In unusual circumstances, the Director, Office of Government Ethics, may grant a request for a waiver of any reporting requirement otherwise applicable for an individual who is reasonably expected to perform, or has performed, the duties of his or her office or position for less than one hundred and thirty days in a calendar year, but only if the Director determines that:

(1) Such individual is a special Government employee,

(2) Such individual is able to provide services specially needed by the Government,

(3) It is unlikely that the individual's outside employment or financial interests will create a conflict of interests, and

(4) Public financial disclosure by such individual is not necessary under the circumstances.

(b) In requesting a waiver pursuant to paragraph (a) of this section, the procedures of the OGE (5 CFR 734.205) shall be followed.

## Subpart G—Confidential Disclosure by Special Government Employees

### § 1506.701 Special Government employees required to submit confidential statements of employment and financial interests.

(a) Unless subject to the public financial disclosure requirements of subpart E of this part or unless exempted under

paragraph (b) of this section, every special Government employee shall submit a confidential statement of employment and financial interests.

(b) The requirement of paragraph (a) of this section may be waived for a special Government employee who is neither a consultant nor an expert and whose duties are such that disclosure of interests is not necessary to protect Government integrity. For the purpose of this subsection, “consultant” and “expert” have the meanings given those terms by Chapter 304 of the Federal Personnel Manual.

**§ 1506.702 Time and place for submission of confidential statements.**

Confidential statements of employment and financial interests shall be submitted to the OFI ethics officer not later than the commencement of employment of the special Government employee. Special Government employees shall keep their statements current throughout their employment with the agency by the submission of supplementary statements.

**§ 1506.703 Custody and review of confidential statements; remedial action.**

The confidential statements of employment and financial interests filed by special Government employees shall be kept in custody and reviewed in the same manner as are the confidential statements of regular employees. Special Government employees shall be afforded the same procedural safeguards as are regular employees in any remedial action taken against them.

**PART 1530—REIMBURSEMENT OF COSTS**

Sec.

- 1530.1 Coverage.
- 1530.2 Reimbursable activities.
- 1530.3 Costs to be reimbursed.
- 1530.4 Billing procedures.
- 1530.5 Payment procedures.
- 1530.6 Protest procedures.

AUTHORITY: Sec. 9 of the Alaska Natural Gas Transportation Act, 15 U.S.C. 719g, secs. 102 and 202 of Reorganization Plan No. 1 of 1979, 44 FR 33663 (made effective by Executive Order 12142 of June 21, 1979, 44 FR 36927), sec. 28(l) of title I of the Mineral Leasing Act, 30 U.S.C. 185; and 31 U.S.C. 483a.

SOURCE: 46 FR 28397, May 27, 1981, unless otherwise noted.

**§ 1530.1 Coverage.**

(a) This part applies to the companies (or their agents) sponsoring the segments of the Alaska Natural Gas Transportation System (ANGTS) in the United States, as listed in the President’s *Decision and Report to Congress on the Alaska Natural Gas Transportation System* and as subsequently restructured, renamed, or otherwise changed, to the extent that they are also holders of rights-of-way or permits for use of federal land.

(b) This part also applies to companies sponsoring facilities which have been determined to be “necessary or related to” ANGTS, within the meaning of Section 9 of ANGTA, and thereby come within the OFI’s enforcement authority, to the extent that they are also holders of rights-of-way or permits for use of federal land.

(c) This part governs how the OFI will obtain reimbursement from the sponsoring companies described above in paragraphs (a) and (b) of this section for the costs incurred in certain of its ANGTS-related enforcement activities. It does not govern how any other federal agency might seek similar reimbursement from the sponsoring companies for ANGTS-related nonenforcement activities.

**§ 1530.2 Reimbursable activities.**

(a) The sponsoring companies shall reimburse the United States for the OFI’s costs incurred in enforcing ANGTS right-of-way and permit requirements on federal lands, as directly required by Section 28 of the Mineral Leasing Act.

(b) Enforcement, the costs of which are reimbursable under paragraph (a) of this section immediately above, entails monitoring and any other compliance or oversight activities reasonably related to the OFI enforcement process, as established by section 102 of Reorganization Plan No. 1 of 1979.

**§ 1530.3 Costs to be reimbursed.**

(a) The OFI will require reimbursement for the activities, defined by § 1530.2 as reimbursable, of the following OFI offices: